

ORANGE WATER AND SEWER AUTHORITY

MEETING OF THE BOARD OF DIRECTORS

APRIL 28, 2016

The Board of Directors of the Orange Water and Sewer Authority (OWASA) held a regular business meeting on Thursday, April 28, 2016, at 7:00 PM in Council Chambers, Chapel Hill Town Hall, 405 Martin Luther King Jr. Boulevard.

Board Members present: John A. Young, Chair; Heather Payne, Secretary; Terri Buckner; Jeff Danner; Barbara Foushee; Quinton Harper; David (Dave) Moreau; and Ruchir Vora. Board Members absent: Robert Morgan, Vice Chair.

OWASA staff present: Ed Kerwin; Mary Darr; Monica Dodson; Greg Feller; Jeremy Fireline; Vishnu Gangadharan; Stephanie Glasgow; Katie Harrold; Kenneth Loflin; Andrea Orbich; Dan Przybyl; Ruth Rouse; Kelly Satterfield; Todd Taylor; Stephen Winters; Robin Jacobs, Epting and Hackney.

Others present: Margaret Holton, Water, Sewer and Stormwater Coordinator, and Ben Poulson, Associate Director of Energy Services, University of North Carolina at Chapel Hill; Linda Vaughn and Kevin O'Connor, Don Schlenger and Associates; Chapel Hill residents: Art Belden; Monte Brown; and Jeanne Brown; Professor Bob Proctor, Carrboro resident; and Jonathan Sparrow, Sparrow and Sons Plumbing.

There being a quorum present, Chair John Young called the meeting to order.

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MOTIONS ACTED UPON

1. BE IT RESOLVED THAT the Orange Water and Sewer Authority Board of Directors adopts the Resolution Awarding Audit Contract to Martin Starnes & Associates, CPAS, P.A. and Authorizing Chair of the Board of Directors and the Finance Officer to Execute Said Contract. Resolution so titled attached hereto and made a part of these minutes. Motion by Heather Payne, second by Ruchir Vora and unanimously approved.
2. Heather Payne made a motion to approve the Minutes of the March 10, 2016 Meeting of the Board of Directors; second by Ruchir Vora and unanimously approved.
3. Heather Payne made a motion to approve the Minutes of the March 24, 2016 Meeting of the Board of Directors; second by Ruchir Vora and unanimously approved.
4. Heather Payne made a motion to approve the Minutes of the April 14, 2016 Closed Session of the Board of Directors; second by Ruchir Vora and unanimously approved.

5. BE IT RESOLVED THAT the Orange Water and Sewer Authority Board of Directors adopts the Resolution Awarding a Construction Contract for the Rosemary, Henderson and Hillsborough Street Water Main Project. Resolution so titled attached hereto and made a part of these minutes. Motion by Dave Moreau, second by Terri Buckner and unanimously approved.

6. Terri Buckner made a motion that the Board approve the “AMI Procurement and Implementation Scope of Services” prepared by Don Schlenger & Associates, and authorize the Executive Director to develop and execute a professional services contract with Don Schlenger & Associates to perform this work; second by Heather Payne and unanimously approved.

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ANNOUNCEMENTS

Conflict Of Interest

John Young said any Board Member who knows of a conflict of interest or potential conflict of interest with respect to any item on the agenda tonight is asked to disclose the same at this time. None were disclosed.

Natural Resources and Technical Systems (NRTS) Committee

Dave Moreau said that the NRTS Committee met on April 25, 2016 to review a revised Charter for the development of an Energy Management Plan and review an update on OWASA’s energy use trends through the end of 2015. Mr. Moreau said that staff plans to have an Energy Management Plan that defines OWASA’s energy management program and an implementation plan for Board approval by February 2017. Mr. Moreau said that staff recommends moving the Board’s review of the revised Charter of the Energy Management Plan to the May 26, 2016 meeting.

Chapel Hill Town Council’s OWASA Committee and Chapel Hill Appointees to the OWASA Board of Directors

Heather Payne said that the Chapel Hill Town Council’s OWASA Committee and the Chapel Hill Appointees to the OWASA Board of Directors met on April 21, 2016. Ms. Payne provided a brief update on the following items: no increase in water and sewer rates for draft Fiscal Year 2017 budget; the Town’s recruitment/selection process for OWASA Board Members; Advanced Metering Infrastructure; sewer system design of the Historic Rogers Road Area; and Affordability Outreach Pilot Project.

Jeff Danner

Jeff Danner said that on Monday, May 2, 2016, he will start a new job as Director of Technology and Strategic Development for Entex Technologies, Inc., a Chapel Hill based engineering company specializing in the design and construction of advanced wastewater treatment technologies.

Quinton Harper

Quinton Harper announced that he will not seek reappointment to the OWASA Board of Directors; Mr. Harper's term will end on June 30, 2016.

Tour of the Cane Creek Mitigation Tract

Ruth Rouse said that on April 20, 2016, Board Members toured Cane Creek Reservoir Mitigation Tract to hear about the forest management activities on the tract that focused on two goals: water quality protection and wildlife habitat. Other groups in attendance included staff from the NC Wildlife Resources Commission, NC Forest Service, US Forest Service, True North Forest Management Services and Audubon Society. Board Members expressed appreciation and suggested staff prepare educational material on the mitigation tract for the public.

PETITIONS AND REQUESTS:

Professor Bob Proctor, Carrboro resident, petitioned the Board that OWASA staff work with staff from the Town of Carrboro to use OWASA's 400 Jones Ferry Road facility as the site for a Google Fiber Hut (a structure that houses the telecommunications and fiber interface equipment for high-speed internet) instead of the Westwood Cemetery site in Carrboro.

The Board deferred Professor Proctor's petition to staff for follow up with the Town of Carrboro.

John Young asked for petitions and requests from the Board; none were received.

Ed Kerwin requested that the review of the revised Energy Management Plan be moved from the May 12, 2016 Work Session to the May 26, 2016 Board Meeting; the Board agreed.

ITEM ONE: QUARTERLY REPORT ON ATTENDANCE AT BOARD AND COMMITTEE MEETINGS

The Board received this as an information item.

ITEM TWO: RESOLUTION AWARDING AUDIT CONTRACT TO MARTIN STARNES & ASSOCIATES, CPAS, P.A. AND AUTHORIZING CHAIR OF THE BOARD OF DIRECTORS AND THE FINANCE OFFICER TO EXECUTE SAID CONTRACT

Heather Payne made a motion to approve the resolution, second by Ruchir Vora and unanimously approved. Please see Motion No. 1 above.

ITEM THREE: MINUTES

Heather Payne made a motion to approve the Minutes of the March 10, 2016 Meeting of the Board of Directors; second by Ruchir Vora and unanimously approved. Please see Motion No. 2 above.

ITEM FOUR: MINUTES

Heather Payne made a motion to approve the Minutes of the March 24, 2016 Meeting of the Board of Directors; second by Ruchir Vora and unanimously approved. Please see Motion No. 3 above.

ITEM FIVE: MINUTES

Heather Payne made a motion to approve the Minutes of the April 14, 2016 Closed Session of the Board of Directors; second by Ruchir Vora and unanimously approved. Please see Motion No. 4 above.

ITEM SIX: PRESENTATION ON COMMON CUSTOMER INQUIRES

Katie Harrold provided a presentation on common customer inquiries to inform the Board and customers about staff's efforts to inform our community about the quality and safety of OWASA's drinking water and resources addressing common customer inquiry topics. This presentation included information on the causes of dezincification.

Following the presentation, Art Belden expressed his concern that home owners are not aware of the dezincification problem until they try to sell their homes or experience a leak in their plumbing systems. He said residents are not aware of the effect that chloramines can have on brass fittings over time and that the only solution is a whole house water purification system. Mr. Belden recommended an independent consultant be engaged and report directly to the OWASA Board on the effect chloramines have on plumbing systems and what corrective actions are required to resolve past effects and avoid future effects.

Jonathan Sparrow said that dezincification is a problem in the plumbing industry in Chatham, Orange and Durham Counties.

Jeanne Brown asked that OWASA take a proactive, open approach to this issue. She said her family's experience since 2005 has included minimal water flow in a shower and having to replace four dishwashers due to degradation of rubber components.

Monte Brown said he has replaced all of the valves in showers at home, that he is responsible for five million square feet of building space in another utility's service area, and that valves can fail in two years in systems where drinking water is disinfected with chloramines. He said chloramines provide an order of magnitude less disinfection and OWASA should step back and look at why chloramines were chosen. He encouraged OWASA to use the expertise available from UNC and Virginia Tech, and to recommend concrete steps for customers to address the effects of chloramines.

After discussion, the Board agreed to refer this matter to the Natural Resources and Technical Systems (NRTS) Committee for further discussion of drinking water disinfectants and effects on plumbing systems.

Ed Kerwin expressed appreciation to Mr. Belden for bringing this issue to his attention. He also said that staff will continue to work with stakeholders to address this issue and coordinate a meeting for the NRTS Committee.

ITEM SEVEN: FINANCIAL REPORT FOR THE NINE MONTH PERIOD ENDED MARCH 31, 2016

The Board received this report as an information item.

ITEM EIGHT: RESOLUTION AWARDING A CONSTRUCTION CONTRACT FOR THE ROSEMARY, HENDERSON AND HILLSBOROUGH STREET WATER MAIN PROJECT

Mary Darr provided an update on the April 26, 2016 repair of a water line leak in East Rosemary Street and introduced Jeremy Fireline who provided the Board a presentation on this project.

Mr. Fireline said that work will start on Hillsborough Street and because it is a high traffic area, the road will be closed from 9:00 AM to 4:00 PM and is planned to conclude before school starts in August 2016. Work on Henderson Street is scheduled to start late August 2016 and be finished by late September 2016. The East Rosemary Street section of work is planned to begin by October 2016. Mr. Fireline clarified that minority and women owned business enterprise (MWBE) participation for this project is 100% because the company is a registered MWBE firm.

Dave Moreau made a motion to approve the resolution; second by Terri Buckner and unanimously approved. Please see Motion No. 5 above.

ITEM NINE: APPROVAL OF THE CONSULTANT'S SCOPE OF WORK FOR THE ADVANCED METERING INFRASTRUCTURE SYSTEM PROCUREMENT AND IMPLEMENTATION SERVICE

Todd Taylor provided an overview of this item including changes based on feedback from the Board on April 14, 2016 (providing additional details about the Request For Proposals development tasks; additional information regarding customer service training; and the inclusion of the cost estimate; and inclusion of a Gantt chart).

Terri Buckner made a motion that the Board approve the "AMI Procurement and Implementation Scope of Services" prepared by Don Schlenger & Associates, and authorize the Executive Director to develop and execute a professional services contract with Don Schlenger & Associates to perform this work; second by Heather Payne and unanimously approved. Please see Motion No. 6 above.

ITEM TEN: EXECUTIVE DIRECTOR WILL SUMMARIZE THE KEY ACTION ITEMS FROM THE BOARD MEETING AND NOTE SIGNIFICANT ITEMS FOR

DISCUSSION AND/OR ACTION EXPECTED AT THE NEXT BOARD MEETING

Ed Kerwin summarized staff action items as follows:

- May 12, 2016 Work Session will include the following agenda items:
 - o Award of a construction contract for the Cane Creek Permanganate Facility project may move to the May 26th Board Meeting;
 - o Review Employee Health, Dental Life, Dependent Life, Accidental Death and Dismemberment and Long Term Disability Insurance;
 - o Discussion of Employee Merit Pay for Fiscal Year 2017; and
 - o Review the consultant's draft Scope of Work for the Employee Total Compensation Study.
- Staff will follow up on education opportunities for the mitigation tract.
- Staff will follow up on Professor Bob Proctor's petition and keep the Board informed.
- Staff will work with the NRTS Committee to schedule a meeting to discuss OWASA's drinking water disinfectant and effects on plumbing systems.

The meeting was adjourned at 9:15 PM.

Respectfully submitted,



Andrea Orbich
Executive Assistant/Clerk to the Board

Attachments

**RESOLUTION APPROVING AND AWARDED AUDIT CONTRACT TO
MARTIN STARNES & ASSOCIATES, CPAS, P.A. AND AUTHORIZING CHAIR OF
THE BOARD OF DIRECTORS AND THE FINANCE OFFICER
TO EXECUTE THE CONTRACT**

WHEREAS, Orange Water and Sewer Authority is required by the General Statutes of the State of North Carolina and the Series 2001 Bond Order to have its financial records audited at the termination of each fiscal year; and

WHEREAS, in January of 2015, the Authority solicited audit proposals based upon the established criteria recommended by the North Carolina Local Government Commission, and at that time the Authority determined that Martin Starnes & Associates, CPAs, P.A. was the best qualified firm to provide the annual audit service; and

WHEREAS, Martin Starnes & Associates, CPAs, P.A. provided satisfactory service related to the Fiscal Years 2011 through 2015 financial audits; and

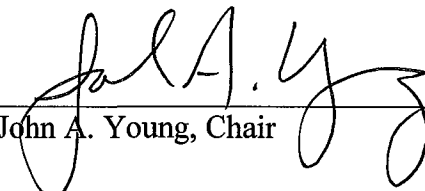
WHEREAS, the Authority has again determined that Martin Starnes & Associates, CPAs, P.A. is the best qualified firm to continue to provide the annual audit services;

NOW, THEREFORE, BE IT RESOLVED:

1. That the contract between Orange Water and Sewer Authority and Martin Starnes & Associates, CPAs, P.A. for financial audit of the Fiscal Year Ending June 30, 2016, for charges not to exceed \$32,000 is hereby approved subject to approval by the North Carolina Local Government Commission.

2. That the Chair of the OWASA Board of Directors and the Finance Officer are hereby authorized to execute such contract.

Adopted this 28th day of April 2016.



John A. Young, Chair

ATTEST:



Heather Payne, Secretary

**RESOLUTION AWARDING A CONSTRUCTION CONTRACT FOR THE
ROSEMARY, HENDERSON, AND HILLSBOROUGH STREET
WATER MAIN PROJECT**

WHEREAS, there is a need to replace the water mains in portions of Rosemary, Henderson and Hillsborough Streets; and

WHEREAS, plans and specifications for the construction of this project have been prepared by McKim and Creed; and

WHEREAS, advertisement for contractor qualifications was published on the websites of the North Carolina Institute of Minority Economic Development, North Carolina Department of Administration, and OWASA in January 2016, and five contractors were qualified to bid; and

WHEREAS, on February 29, 2016, the prequalified contractors were formally invited to submit construction bids for the project, and two bids were received; and

WHEREAS, Moffat Pipe, Inc. of Wake Forest, North Carolina has been determined to be the low responsive, responsible bidder for the project; and

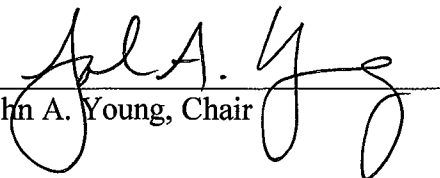
WHEREAS, there are sufficient funds available for this project under the resolution authorizing funds for Capital Improvements Projects approved by the Board on June 11, 2015;

NOW, THEREFORE, BE IT RESOLVED:

1. That the Orange Water and Sewer Authority Board of Directors awards the construction contract to Moffat Pipe, Inc., the low responsive, responsible bidder for the Rosemary Street Water Main Replacement Project, in accordance with the approved plans and specifications, in the amount of \$1,979,445.00, subject to such change orders as may apply.

2. That the Executive Director be, and hereby is, authorized to execute said contract, subject to prior approval of legal counsel, and to approve and execute change orders and such documents as may be required in connection with the construction contract.

Adopted this 28th day of April, 2016.



John A. Young, Chair

ATTEST:



Heather Payne, Secretary